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FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC 7445  
INFO RUEHRC/USDA FAS WASHDC 8598  
RUCPDO/USDOC WASHDC  
RUEHGV/USMISSION GENEVA 3406  
RUEHBJ/AMEMBASSY BEIJING 5470  
RUEHBY/AMEMBASSY CANBERRA 2778  
RUEHHI/AMEMBASSY HANOI 1083  
RUEHFK/AMCONSUL FUKUOKA 9999  
RUEHNAG/AMCONSUL NAGOYA 8100  
RUEHNH/AMCONSUL NAHA 2359  
RUEHOK/AMCONSUL OSAKA KOBE 3742  
RUEHKS/AMCONSUL SAPPORO 0575

UNCLAS TOKYO 002631

SENSITIVE  
SIPDIS

STATE FOR EAP/J  
USDA FOR FAS OA, ONA, OCRA, OFSO/DBREHM AND DUS TERPSTRA  
STATE PASS USTR FOR AUSTR CUTLER, BEEMAN, AND HOLLOWAY

E.O. 12958: N/A  
TAGS: [EAGR](#) [ECON](#) [ETRD](#) [SENV](#) [JA](#)  
SUBJECT: DEMARCHE DELIVERED: U.S. GRAIN EXPORTS TO JAPAN

REFS: A) STATE 101209  
B) TOKYO 2596

SENSITIVE BUT UNCLASSIFIED, PLEASE PROTECT ACCORDINGLY

¶1. (SBU) The GOJ has no intention of portraying U.S. grains as unsafe and in fact cancelled recent rice and wheat tenders to shore up public confidence, Ministry of Agriculture, Forestry and Fisheries (MAFF) Director General of Staple Foods Masaaki Okuhara told FAS Senior Attache in response to Ref A points delivered September 22. Ministry of Foreign Affairs Director General for Economic Affairs Otabe also told EMIN earlier that day that Japan's consumers see the problem as linked to rice from China and Vietnam, not rice from the United States.

¶2. (SBU) Okuhara said MAFF has been under intense media and public pressure due to Japan's "tainted" rice scandal and stands accused of downplaying lapses in MAFF oversight -- lapses that allowed moldy and pesticide-tainted rice to be sold illegally to food processors and enter the food supply (Ref B). Okuhara claimed an all-out media circus would have erupted had MAFF gone forward with the tender for U.S. rice (already four months behind schedule). Okuhara asserted MAFF has regularly communicated details surrounding the "tainted" rice scandal to the media and public, but that the media have focused reporting on pesticide-related issues. (The primary pesticide in question -- methamidophos -- is the same pesticide at the center of the Chinese dumpling scandal that continues to capture headlines in Japan.)

¶3. (SBU) Citing his July meeting in Geneva with Deputy Under Secretary Ellen Terpstra, Okuhara reiterated Japan remains committed to honoring its pledge to fulfill its Minimum Access requirements in 2008 for rice under the WTO. However, when pressed, Okuhara was unwilling to say when the tenders would resume. He acknowledged that wheat tenders would most likely recommence before rice (presumably an indication of Japan's greater need for wheat imports).

¶4. (SBU) Ministry of Foreign Affairs DG for Economic Affairs Yoichi Otabe told EMIN separately September 22 that Japan's consumers see the country's most recent food scandal as involving Vietnamese and Chinese rice, not rice from the United States. (Note: The Japanese media have not to our knowledge mentioned U.S. rice as a possible culprit in the scandal. End note.) Otabe added that MOFA is working with MAFF to ensure an acceptable resolution of the grain tenders issue. The agriculture ministry, Otabe stated, confronts

multiple problems and does not need further difficulties with the United States over rice. Otabe said he hoped MOFA DDG Hiramatsu would be able to provide Washington agencies positive news on the tender questions in his meetings there at the end of the week.

SCHIEFFER